12: Douglas T-3 (1951)1953 AJ4 W. Tibetans AJ4

426 456 671 loans. But ancient habits are hard to break. I do not know the extent to which these new Kashmir laws are observed. There are ugly stories about current usurious practices. About 95 per cent of the agricultural loans in Ladakh are repayable in kind. Monasteries advance food in the winter to tenants. Barley advanced when the grain is sixty cents must be repaid when the grain is thirty cents. Isn't repayment of twice the amount of the loan a kind of usury?

423 671 425 Kashmir has gone far in breaking up its feudal system based on landownership. Under its new law every landowner is entitled to keep 182 *kanals* of land. The government has taken the rest of each owner's holdings and distributed it to the tenants. In the vicinity of Leh over twenty thousand acres have passed from twenty-four landlords to the peasants. The distribution at Leh, as at other places in Ladakh, was free, the peasants not paying for the land. Nor, to date, has the government paid the owners any compensation. Whether or not they should pay is a political question that agitates Kashmir.

425 Payment of just compensation, in the American sense, is impossible. The holdings were so large and so vast that it would take all the wealth of the state to compensate the old owners by our constitutional standards. Nehru and I discussed the problem in Delhi in August 1951.

"If the former owners get paid the full value of their land they will still own the wealth of the nation," Nehru said. And they would. New people would own the land. But the bulk of the revenues would still flow to the old owners.

Various ideas are being discussed for compensating the owners: payment that avoids confiscation; an annuity to the owner for his life and a lesser annuity to his children for their lives. What Kashmir will eventually do has not been decided. But in two important respects Kashmir has not touched the land problem.

It has not distributed the landholdings of the King of Ladakh, who completely owns the village of Stok not far from Leh. It has